



WASHOE COUNTY

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CM/ACM VS

Finance DN

DA N/A

Risk Mgt. N/A

HR N/A

STAFF REPORT

BOARD MEETING DATE: September 23, 2014

DATE: August 26, 2014
TO: Board of County Commissioners
FROM: Ben Hutchins, Director, Finance and Administration Division, Community Services Department, 954-4646, bhutchins@washoecounty.us
THROUGH: Dave Solaro, Director, Community Services Department
SUBJECT: Acknowledge receipt of the Washoe County Water and Sanitary Sewer Financial Assistance Program Status Report as of June 30, 2014. (All Commission Districts.)

SUMMARY

This report is an update on activities undertaken pursuant to Section 7.4 of Washoe County Ordinance No. 1449 passed July 27, 2010. Ordinance No. 1449 established a Water and Sanitary Sewer Financial Assistance Program authorizing the use of gifts, grants, monies and loans to assist property owners to pay fees and on-site costs associated with conversion from private water and sewer systems to Washoe County public water and sewer systems. Section 7.4 of the ordinance requires the Administrator to report to the Board of County Commissioners (Board), on a quarterly basis, the activities associated with this program including loans made and loan repayment activity.

As of June 30, 2014, there were thirteen outstanding loans with a total original loan amount of \$163,066.66.

During the quarter ended June 30, 2014:

- there were no new loans,
- payments toward eleven loans were current,
- two of the eleven current loans were overpaid (in total) by \$24.05,
- two loans were past due for a total of \$1,741.70, and
- one of the two past due loans had \$1,005.30 attached to the tax roll July 1, 2014.

Washoe County Strategic Objective supported by this item: Sustainability of our financial, social and natural resources.

PREVIOUS ACTION

The Board has been provided and acknowledged receipt of quarterly reports of the Water and Sanitary Sewer Financial Assistance Program status since February 2011.

AGENDA ITEM # 612

On July 27, 2010, the Board adopted Ordinance No. 1449 which amended Chapter 40 of the Washoe County Code by adding provisions governing the administration of the Water and Sanitary Sewer Financial Assistance Program.

On July 27, 2010, the Board adopted formal policies and procedures related to implementing the Water and Sanitary Sewer Financial Assistance Program. In the summer of 2008, the Board included in its 2009 Legislative Agenda a request for legislation to give the County authority to create a financing program to assist property owners in connecting to its community water and sewer systems. Pursuant to this action, a bill draft was developed that ultimately became Assembly Bill 54 (AB54).

BACKGROUND

Based on studies performed and data reviewed by the Community Services Department (CSD), many domestic water wells have failed or no longer provide safe drinking water because of over-appropriation of water resources, declining water tables, poor water availability due to geologic structure, and/or water quality issues caused by natural contaminants or groundwater contamination caused by septic system effluent. Converting parcels served by domestic wells or on-site septic systems to available public water or sewer systems, where such systems are or can reasonably be made available, would substantially reduce the identified negative impacts to property owners.

Pursuant to Assembly Bill 54, the Board passed Ordinance No. 1449 (Bill No. 1630) and approved the written policies and procedures on July 27, 2010, which established a Water and Sanitary Sewer Financial Assistance Program authorizing the use of grants, gifts or other available monies to provide loans to assist qualified property owners to pay fees and on-site costs associated with conversion from private water and sewer systems to Washoe County public water and sewer systems. Section 7.4 of that ordinance requires the Administrator to report to the Board on a quarterly basis on the activities associated with this program, including loans made and loan repayment activity.

As of June 30, 2014, the CSD had received sixteen applications for the Water and Sanitary Sewer Financial Assistance Program. Out of these applications, thirteen completed construction and connected to the County's water and sewer system. Two loan offers expired, and one loan was denied due to a negative credit history and an inability to demonstrate sufficient income to repay the loan; however, this applicant has since connected through the Mt. Rose Fan-Galena Area Well Mitigation Program. The total original principal amount of the thirteen loans where construction is complete is \$163,066.66.

During the quarter ended June 30, 2014:

- there were no new loans,
- payments toward eleven loans were current,
- two of the eleven current loans were overpaid (in total) by \$24.05,
- two loans were past due for a total of \$1,741.70, and
- one of the two past due loans had \$1,005.30 attached to the tax roll July, 1, 2014, which represented four delinquent installments and related late fees.

On May 1st of each year any loan that has four delinquent installments has all delinquent amounts, plus any accrued service charges, fees, interest and penalties, added to the real property tax roll July 1st and collected through the procedures set forth in NRS 244.36605. Only one delinquent loan fit this criterion as of May 1, 2014.

On May 1st of each year any loan with more than four delinquent installments shall have the entire unpaid principal balance, plus any accrued service charges, fees, interest and penalties, added to the real property tax roll through the procedures set forth in NRS 244.36605. No loans fit this criterion as of May 1, 2014.

FISCAL IMPACT

The total original principal amount of all outstanding loans was \$163,066.66, of which \$68,549.63 was direct cash outlays by the County to pay on-site construction costs. The remaining loan balance represents connection fees owed to the County. Loan recipients will make quarterly installments over 20 years. Interest rates are based on the weighted average cost of debt held by Water Resources, which is recalculated on July 1st of each year. Program interest rates offered to date range from 4.88% to 5.03%. The interest rate for loans executed in FY 2015 is 4.94%.

Loans and related activity are recorded in Fund 5120 using cash from the County's sewer fund as previously approved by the Board.

RECOMMENDATION

It is recommended that the Board of County Commissioners acknowledge receipt of the Washoe County Water and Sanitary Sewer Financial Assistance Program Status Report as of June 30, 2014.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be:
"Move to acknowledge receipt of the Washoe County Water and Sanitary Sewer Financial Assistance Program Status Report as of June 30, 2014."

Attach.

Washoe County Water & Sanitary Sewer Financial Assistance Program

Status Report

As of June 30, 2014

Status and Area	Water or Sewer	On-Site Costs	DWR Fees	Grants	Callahan Ranch Mitigation	Loan Amount
CONSTRUCTION COMPLETE						
1) Mayberry Ranch Estates	S	7,200.00	16,576.23	(5,100.00)	-	18,676.23
2) Mayberry Ranch Estates	S	9,250.00	16,576.23	(5,100.00)	-	20,726.23
3) Callahan Ranch	W	5,164.30	15,243.00	-	(15,243.00)	5,164.30
4) Lemmon Valley	W	6,510.72	8,930.44	-	-	15,441.16
5) Mayberry Ranch Estates	S	8,050.00	16,576.23	(5,100.00)	-	19,526.23
6) Lemmon Valley	W	6,328.83	8,930.44	-	-	15,259.27
7) Cold Springs	S	2,165.00	5,250.00	-	-	7,415.00
8) Spanish Springs	S	4,798.36	9,443.00	(9,443.00)	-	4,798.36
9) Lemmon Valley	W	-	12,895.94	-	-	12,895.94
10) Lemmon Valley	W	3,120.00	8,715.76	-	-	12,235.76
11) Lemmon Valley	W	3,121.00	9,115.76	-	-	12,236.76
12) Callahan Ranch	W	7,200.00	7,050.00	-	(7,050.00)	7,200.00
13) Spanish Springs	W	5,641.42	5,850.00	-	-	11,491.42
Total final costs		68,549.63	141,153.03	(24,743.00)	(22,293.00)	163,066.66
Summary						
Sewer related	S	31,463.36	64,421.69	(24,743.00)	-	71,142.05
Water related	W	37,086.27	76,731.34	-	(22,293.00)	91,924.61
Total final costs		68,549.63	141,153.03	(24,743.00)	(22,293.00)	163,066.66

LOAN OFFER EXPIRED (outstanding over 1 year)

- 14) Cold Springs S
- 15) Lemmon Valley W

DENIED (subsequently connected through the mitigation program)

- 16) Callahan Ranch W